

To: Mogharabi, Nahal[MOGHARABI.NAHAL@EPA.GOV]
From: Maier, Brent
Sent: Thur 3/12/2015 6:34:28 PM
Subject: RE: DOJ news release - Deal to permanent shut Exide battery recycling plant in Vernon and pay for clean-up

Thanks for sharing the DOJ release. I sent it along as an FYI to Congressional staff in the offices of Boxer, Feinstein, Becerra, and Roybal-Allard.

Brent Maier

Congressional Liaison

U.S. Environmental Protection Agency, Region IX

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San Francisco, CA 94105

Ph: 415.947.4256

From: Mogharabi, Nahal
Sent: Thursday, March 12, 2015 10:12 AM
To: Blumenfeld, Jared; Kao, Jessica; Zito, Kelly; Keener, Bill; Maier, Brent; LEONIDO-JOHN, STEVEN; Miller, Amy; Jones, Joel E.; Johnson, Kathleen; Hanf, Lisa; Christenson, Kara; Salazar, Matt; McDaniel, Doug; Lee, Barbara; Huetteman, Tom
Subject: Fwd: DOJ news release - Deal to permanent shut Exide battery recycling plant in Vernon and pay for clean-up

Here is the press release that was used on Exide this morning.

Nahal

Begin forwarded message:

From: "Mrozek, Thom (USACAC)" <Thom.Mrozek@usdoj.gov>
Date: March 12, 2015 at 10:07:41 AM PDT
To: Nahal Mogharabi <MOGHARABI.NAHAL@EPA.GOV>
Subject: Fwd: DOJ news release - Deal to permanent shut Exide battery recycling plant in Vernon and pay for clean-up

Here you go....

Begin forwarded message:

From: "Mrozek, Thom (USACAC)"

<TMrozek@usa.doj.gov<mailto:TMrozek@usa.doj.gov>>

Date: March 12, 2015 at 8:30:46 AM PDT

Subject: DOJ news release - Deal to permanent shut Exide battery recycling plant in Vernon and pay for clean-up

FROM: Thom Mrozek

Public Affairs Officer

United States Attorney's Office

Central District of California (Los Angeles)

O: 213-894-6947

M: 213-494-9261

@CDCANews

Issued on Thursday, March 12 at 8:30 a.m. PDT. This release is the subject of the 9:00 a.m. newser. The related documents are available for download at:

<https://www.hightail.com/download/UIRUZm1kRkVsMHhYd3NUQw>

Exide Technologies Admits Role in Major Hazardous Waste Case and Agrees to Permanently Close Battery Recycling Facility in Vernon

Facility that has Polluted East L.A. for over 90 Years will be Cleaned Up Pursuant to Agreement Designed to Allow Exide to Emerge from Bankruptcy

LOS ANGELES – The United States and Exide Technologies have reached an agreement that calls for the battery manufacturing company to immediately and forever close a battery recycling facility in Vernon and to pay \$50 million to clean-up the site and surrounding neighborhoods, which have been affected by environmental toxins for close to a century.

The agreement approved late yesterday calls for Exide to permanently close the plant which, the company admits, produces a host of hazardous wastes, including lead, cadmium, arsenic and volatile organic compounds.

“The reign of toxic lead ends today,” said Acting United States Attorney Stephanie Yonekura. “After more than nine decades of ongoing lead contamination in the City of Vernon, neighborhoods can now start to breathe easier.”

Exide had planned to resume operations at the recycling facility as early as next month, but the agreement calls for the facility to be shuttered, demolished and cleaned up. Exide is also required to make expedited payments that will complete funding of a \$9 million trust fund that will be used to clean up 216 nearby residences in the Boyle Heights neighborhood and the City of Maywood.

The deal to close the recycling facility is contained in a Non-Prosecution Agreement (NPA) that was finalized late last night. The agreement calls for the immediate closure of the battery recycling facility and estimates that Exide's direct costs of compliance are well in excess of \$100 million, costs that include the company walking away from recent improvements to the facility and incurring new costs for lead and plastic that must now be purchased to manufacture new batteries.

The United States Attorney's Office entered into the NPA because negotiations with the bankrupt company revealed that even the threat of a criminal prosecution would almost certainly force the liquidation of the company. The NPA opens the door to new funding for the company, which employs thousands of workers in the United States and around the world, and ensures that money will be available to pay for the clean-up of the Vernon site and several other toxic sites around the United States. Without the NPA, prosecutors believe, Exide would cease to exist as a viable company and responsibility to clean up toxic sites like the recycling plant in Vernon would revert to governmental agencies.

"The agreement with Exide ensures that the Vernon site will be permanently closed, while guaranteeing that the company will survive to adequately finance the clean-up of this long-suffering community," Yonekura said.

Jared Blumenfeld, EPA's Regional Administrator for the Pacific Southwest, stated: "The closure of this facility is a victory for the residents of Vernon who have suffered from decades of toxic pollution. This historic action was made possible because of the tireless efforts of local community members, including parents, environmental groups and religious leaders. Today's announcement shows that companies who fail to meet federal environmental laws will face serious consequences."

In addition to the commitments to close the Vernon facility and pay for associated clean-up costs, Exide has acknowledged criminal conduct, including the illegal storage, illegal disposal, illegal shipment and illegal transportation of hazardous waste. For example, in the NPA "Exide admits that it knowingly and willfully caused the shipment of hazardous waste contaminated with lead and corrosive acid in leaking van trailers owned by Wiley Sanders Truck Line, Inc. and operated by Lutrel Trucking, Inc. and KW Plastics of California, Inc., from the [Vernon] facility to Bakersfield, California, a significant number of times over the past two decades, in violation of federal law. Each incident could be charged as a felony violation of the federal Hazardous Materials Transportation Act."

The admissions of criminal violations is important because Exide agreed that it could be prosecuted for the felony environmental offenses it previously committed at any time over the next 10 years if it fails to abide by the terms of the NPA. A violation would include failing to adequately finance clean-up efforts at the recycling facility, a program that will be overseen by the California Department of Toxic Substances Control (DTSC).

The NPA with Exide is the result of an investigation by the United States Environmental Protection Agency – Criminal Investigations Division and the United States Department of Transportation – Office of the Inspector General.

Release No. 15-027

